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RUEHZN/ENVIRONMENT SCIENCE AND TECHNOLOGY COLLECTIVE

RUCPDOC/DEPT OF COMMERCE WASHINGTON DC

RHMFISS/DEPT OF ENERGY WASHINGTON DC

RUEKJCS/SECDEF WASHINGTON DC

RHMFIUU/CDR USPACOM HONOLULU HI

UNCLAS HANOI 000759

SENSITIVE
SIPDIS

STATE FOR EAP/MLS, EAP/EP, OES/STC

STATE ALSO FOR T (MHUMPHREY), ISN/NESS (ABURKART, PMCNERNEY), ISN/RA (RBEISECKER) AND EAP/MLS

STATE PASS TO NUCLEAR REGULATORY COMMISSION (KFOGGIE, JMCLELLAND-KERR, SBURNS)

ENERGY FOR DOE/NE (EMCGINNIS, CWELLING), NNSA/NA-21 (SFRAZER, KAPT, DKOVACIC, KCUMMINS, SDICKERSON, IBOLSHINSKY, SMOSES, ABIENIAWSKI)

COMMERCE PLEASE PASS TO USTDA (DROSSITER)

COMMERCE FOR ITA/MAC/HONG-PHONG PHO

E.O. 12958: N/A

TAGS: SENV ENRG ECON VM

SUBJECT: VIETNAM NOT YET READY TO COMPLETE DALAT NUCLEAR REACTOR CONVERSION

¶1. (SBU) Summary: During an August 10 meeting with Ambassador Michalak, Minister of Science and Technology Hoang Van Phong confirmed that the Government of Vietnam (GVN) was not yet ready to sign an agreement with the United States to complete conversion of the Dalat nuclear research reactor and to repatriate spent highly enriched uranium (HEU) at the site to the Russian Federation. Though the Ministry of Science and Technology (MOST) had recently sent a decision document to the Prime Minister seeking his concurrence on the decision to move forward, the Prime Minister's office had raised certain technical questions that needed to be resolved prior to the Prime Minister's approval. End Summary.

¶2. (SBU) On August 10, MOST Minister Phong, accompanied by the leaders from the Vietnam Agency for Radiation and Nuclear Safety (VARANS) and the Vietnam Atomic Energy Commission (VAEC), met with Ambassador Michalak to review the GVN's position on continued cooperation to finish conversion of the Dalat nuclear research reactor and repatriate spent HEU from that facility to the Russian Federation. While Phong and the VAEC and VARANS leaders noted that the GVN wanted to continue cooperation with the United States towards those ends, they stated that the GVN was not ready to sign the proposed agreement for technical assistance first proposed by the United States in a May 2007 Diplomatic Note. Additionally, the VAEC was not willing, at this time, to sign a contract with the U.S. Department of Energy for the provision of fresh low enriched uranium (LEU) to the Dalat reactor to prepare for the future shipment of spent HEU fuel.

¶3. (SBU) Minister Phong stated that the GVN welcomed the conversion initiative "in principle" and confirmed that MOST had presented a decision document to the Prime Minister's office seeking concurrence to sign the agreement with the United States. However, the Prime Minister's office had raised certain technical issues that needed to be resolved by Vietnamese and United States experts prior to signing the agreement. In particular, Dr. Vuong Huu Tan, Director General of VAEC, stated that the GVN needed to be satisfied with the technical calculations to replace the crane at the reactor to ensure the new machinery had the capacity to remove all of the HEU fuel rods from the reactor core at one time.

¶4. (SBU) Despite the bad news on the Dalat conversion, Phong and the GVN atomic experts were at pains to highlight their happiness with existing U.S.-Vietnam nuclear cooperation and their hopes that such

cooperation will continue. Dr Nhan noted that the planned trip by VARANS officers to observe a U.S. Nuclear Regulatory Commission inspection of a U.S. nuclear facility would be the first visit of its kind to a foreign country. Phong and MOST staff reiterated that the GVN wanted to sign the separate, broader nuclear cooperation MOU negotiated earlier this year and currently under consideration in Washington.

Comment

15. (SBU) Despite having over two years to consider the relevant policy and technical issues, the GVN still has yet to firmly commit to working with the United States to finalize the Dalat reactor conversion. Though Minister Phong highlighted the need to respond to technical questions prior to agreeing to the U.S. proposal from May 2007, we suspect the GVN has other, unstated concerns. After all, the U.S. Diplomatic Note from May 2007 simply proposed technical assistance to help the GVN answer the very questions that Phong raised in the meeting. The non-binding document would not commit the GVN to a specific timetable or course of action. Unfortunately, we are not sure of the GVN's other concerns or which entities within the GVN have raised those matters, though we believe that some agencies, such as the Ministries of Defense and Public Security, remain skittish of cooperation with the United States in sensitive areas (regardless of our successful assistance over the past several years). Thus, the ball remains in their court.

MICHALAK